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The Honorable Christopher M. Alston
Chapter 7

Attorneys for Plaintiff Navy Federal Credit Union

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:

Case No. 22-11795-CMA

JAMESON BRADLEY KAYE and CHELSEA
RENAE KAYE,

Debtor.

NAVY FEDERAL CREDIT UNION,

Plaintiff,

v.

Adversary No.

COMPLAINT FOR
NONDISCHARGEABILITY OF DEBT

JAMESON BRADLEY KAYE and CHELSEA
RENAE KAYE,

Defendant.

Plaintiff Navy Federal Credit Union, "Navy Federal," alleges as follows.

I. PARTIES

1. Plaintiff Navy Federal is a credit union and a creditor of the debtors' bankruptcy estate.
2. Defendants Jameson Bradley Kaye and Chelsea Renae Kaye, husband and wife, are co-debtors in the underlying bankruptcy.

II. JURISDICTION AND VENUE

3. This is a core proceeding within the meaning of 28 USC 157(b)(2)(I) seeking determination regarding the amount and dischargeability of certain debts under certain provisions of 11 USC 523

1 and is an adversary proceeding brought in accordance with FRBP 4004, 4007, 7001(4) and
2 7001(6).

3 4. The Court has jurisdiction in this matter pursuant to 28 USC 151, 157 and 1334.

4 5. Venue is proper pursuant to 28 USC 1409.

5 **III. FACTS**

6 6. On or about 8/30/2022, Jameson Kaye made a written application to Navy Federal for a
7 \$50,000.00 personal loan, payable by way of monthly payments.

8 7. In the written application, Kaye made the following material representations:

9 a. The purpose of the loan was personal expenses.

10 b. Kay intended personal repayment of the loan.

11 c. Kaye had the ability to make the monthly payments based on his household income
12 and expenses.

13 8. The loan was approved based on Kaye's representations.

14 9. On 8/31/2022, Kaye gave Navy Federal a promissory note, promising personal repayment
15 of the loan by way of monthly installments.

16 10. On 8/31/2022, Navy Federal deposited the \$50,000.00 loan proceeds into Kaye's personal
17 bank account.

18 11. On 9/2/2022, Kaye transferred the \$50,000.00 loan proceeds to a KeyBank checking
19 account held by a business called "Washington Transfer". Washington Transfer is owned and
20 operated by Kaye.

21 12. The KeyBank checking account is an operating account for Washington Transfer.
22 Washington Transfer used the \$50,000.00 loan proceeds for its expenses and operations.

23 13. Kaye did not make payments on the loan. Kaye never intended personal repayment of the
24

1 loan.

2 14. On 11/7/2022, Kaye and his co-debtor filed the underlying personal Chapter 7 bankruptcy.

3 Kaye seeks personal discharge of the debt.

4 15. Navy Federal objects to discharge.

5 **IV. CAUSE OF ACTION #1**

6 **(False Representation, False Pretenses, Actual Fraud - 11 USC 523(a)(2)(A))**

7
8 16. Navy Federal incorporates its prior averments.

9 17. Kaye's representations about loan were false. The loan was for the benefit of a non-
10 applicant, Washington Transfer.

11 18. Kaye personally incurred the debt without the intent to repay.

12 19. Kaye obtained the loan under false representation, false pretenses and actual fraud.

13 20. The debt is nondischargeable under 11 USC 523(a)(2)(A).

14 **V. CAUSE OF ACTION #2**

15 **(Use of False Writing – 11 USC 523(a)(2)(B))**

16
17 21. Navy Federal incorporates its prior averments.

18 22. Kaye's representations were in writing, were materially false, respected his financial
19 condition, and were made with the intent to deceive.

20 23. Navy Federal reasonably relied upon the representations to approve the loan. Business
21 loans are handled through a separate entity.

22 24. The debt is nondischargeable under 11 USC 523(a)(2)(B).

23 **PRAYER**

24 Navy Federal prays for the following relief:

25
26 1. Judgment of debt nondischargeability;

1 2. Costs and attorney's fees;

2 3. For any other further relief as the Court may deem proper.

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4 DATED January 19, 2023

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